

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Louisiana Egg Commission
Department of Agriculture and Forestry
State of Louisiana
Baton Rouge, Louisiana

August 20, 2003



Financial and Compliance Audit Division

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Albert J. Robinson, Jr., CPA

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LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
Baton Rouge, Louisiana

Basic Financial Statements and
Independent Auditor's Reports
As of June 30, 2003, and for the
Years Ended June 30, 2003 and 2002
With Supplemental Financial Information

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor.

August 20, 2003

**LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA**

Basic Financial Statements and
Independent Auditor's Reports
As of June 30, 2003, and for the Years
Ended June 30, 2003 and 2002
With Supplemental Financial Information

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OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-9397

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August 6, 2003

Independent Auditor's Report
on the Financial Statements

LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited the accompanying basic financial statements of the Louisiana Egg Commission, a component unit of the State of Louisiana, as of June 30, 2003, and for the years ended June 30, 2003 and 2002. These financial statements are the responsibility of management of the Louisiana Egg Commission. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Egg Commission as of June 30, 2003, and its changes in financial position and its cash flows for the years ended June 30, 2003 and 2002, in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 1-A to the financial statements, the Louisiana Egg Commission adopted the provisions of the Governmental Accounting Standards Board Statement Number 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, as of July 1, 2001.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 6, 2003, on our consideration of the Louisiana Egg Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

LEGISLATIVE AUDITOR

**LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA**

Audit Report, June 30, 2003

Our audit was conducted for the purpose of forming an opinion on the Louisiana Egg Commission's basic financial statements. The accompanying supplemental financial information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the Louisiana Egg Commission. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Management's discussion and analysis on pages 4 through 6 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Grover C. Austin", with a stylized flourish at the end.

Grover C. Austin, CPA
First Assistant Legislative Auditor

BB:STD:THC:ss

[EGG03]

**LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The management's discussion and analysis of the Louisiana Egg Commission's financial performance presents a narrative overview and analysis of the commission's financial activities for the year ended June 30, 2003. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this information in conjunction with the commission's basic financial statements, which begins on page 7.

FINANCIAL HIGHLIGHTS

- The commission's assets exceeded its liabilities at the close of fiscal year 2003 by \$63,590, which represents a 16% increase from last fiscal year. The net assets increased by \$8,601.
- The commission's operating revenue increased by \$7,038 (or 15%) and the net results from activities increased by \$13,993 (or 259%).

OVERVIEW OF THE FINANCIAL STATEMENTS

These financial statements consist of three sections - *Management's Discussion and Analysis* (this section), the basic financial statements (including the notes to the financial statements), and supplementary information.

Basic Financial Statements

The basic financial statements present information for the commission, as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

The Statement of Net Assets (page 7) presents the current and long-term portions of assets and liabilities separately. However, the commission does not have any long-term portions. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the commission's financial position is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (page 8) presents information showing how the commission's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, transactions are included that will not affect cash until future fiscal periods.

LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
Management's Discussion and Analysis (Continued)

The Statement of Cash Flows (page 9) presents information showing how the commission's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE COMMISSION

Statement of Net Assets

	Net Assets, As of	
	June 30, 2003	June 30, 2002
Current and other assets	\$63,687	\$59,230
Current liabilities	97	4,241
Total net assets - unrestricted	<u>\$63,590</u>	<u>\$54,989</u>

Statement of Revenues, Expenses,
and Changes in Fund Net Assets

	For the Year Ended	
	June 30, 2003	June 30, 2002
Operating revenues	\$54,384	\$47,346
Operating expenses	46,191	53,530
Operating income (loss)	8,193	(6,184)
Nonoperating revenues	408	792
Increase (decrease) in net assets	<u>\$8,601</u>	<u>(\$5,392)</u>

The commission's total revenues increased by \$6,654 (or 14%). The total cost of all programs and services decreased by \$7,339 (or less than 14%).

CAPITAL ASSET AND DEBT ADMINISTRATION

The commission has no capital assets or debt at June 30, 2003.

LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
Management's Discussion and Analysis (Concluded)

CONTACTING THE LOUISIANA EGG
COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, and customers with a general overview of the Louisiana Egg Commission's finances and to show the commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Linda R. Chaney, Louisiana Department of Agriculture and Forestry, Post Office Box 631, Baton Rouge, Louisiana 70821-0631.

**LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA**

Statement of Net Assets, June 30, 2003

ASSETS

Current assets:

Cash and cash equivalents (note 2)	\$59,722
Receivables - assessments (note 3)	<u>3,965</u>

Total Assets	<u>63,687</u>
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LIABILITIES - accounts payable	<u>97</u>
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NET ASSETS - unrestricted	<u><u>\$63,590</u></u>
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The accompanying notes are an integral part of this statement.

**LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA**

**Statement of Revenues, Expenses,
and Changes in Fund Net Assets
For the Years Ended June 30, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
Operating revenues:		
Licenses and fees	\$2,580	\$2,455
Assessments	51,804	44,891
Total operating revenues	<u>54,384</u>	<u>47,346</u>
Operating expenses:		
Administrative services (note 4)	10,000	10,000
Travel	528	1,103
Operating services	27,616	26,374
Supplies	7,597	11,648
Other charges	450	4,405
Total operating expenses	<u>46,191</u>	<u>53,530</u>
Operating income (loss)	8,193	(6,184)
Nonoperating revenues:		
Use of money and property	<u>408</u>	<u>792</u>
Change in net assets	8,601	(5,392)
TOTAL NET ASSETS AT BEGINNING OF YEAR, AS RESTATED (note 5)	<u>54,989</u>	<u>60,381</u>
TOTAL NET ASSETS AT END OF YEAR	<u><u>\$63,590</u></u>	<u><u>\$54,989</u></u>

The accompanying notes are an integral part of this statement.

**LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA**

**Statement of Cash Flows
For the Years Ended June 30, 2003 and 2002**

	JUNE 30, 2003	JUNE 30, 2002
Cash flows from operating activities:		
Cash received from assessments, licenses, and fees	\$53,145	\$49,726
Cash paid to suppliers for goods and services	<u>(50,335)</u>	<u>(49,289)</u>
Net cash provided by operating activities	<u>2,810</u>	<u>437</u>
Cash flows from investing activities:		
Interest received	<u>408</u>	<u>792</u>
Net increase in cash and cash equivalents	3,218	1,229
Cash and cash equivalents at beginning of year	<u>56,504</u>	<u>55,275</u>
Cash and cash equivalents at end of year	<u><u>\$59,722</u></u>	<u><u>\$56,504</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	8,193	(6,184)
Changes in assets and liabilities:		
Decrease (increase) in receivables	(1,239)	2,380
Increase (decrease) in payables	<u>(4,144)</u>	<u>4,241</u>
Net cash provided by operating activities	<u><u>\$2,810</u></u>	<u><u>\$437</u></u>

The accompanying notes are an integral part of this financial statement.

**LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA**

Notes to the Financial Statements
As of June 30, 2003, and for the
Years Ended June 30, 2003 and 2002

INTRODUCTION

The Louisiana Egg Commission is a component unit of the State of Louisiana created within the Louisiana Department of Agriculture and Forestry, as provided by Louisiana Revised Statutes (R.S.) 3:551.1-11. The commission is composed of 12 members, 10 of whom are appointed by the governor upon the joint recommendation of the Poultry Industries of Louisiana, Incorporated, and/or the Louisiana Egg Council, and the Commissioner of Agriculture and Forestry. Two of the members are appointed by the governor from the public at large. Members are appointed to six-year terms, and the appointments are staggered so that either two or four members' terms expire every two years. The Commissioner of Agriculture and Forestry is an ex-officio member with voting privileges. Commission members do not receive any compensation.

The commission is charged with the responsibility of entering into advertising contracts and other agreements for consumer, producer, and dealer information services as to the food value of eggs and for instruction on grades and packs and how to evaluate their merits to expand the market for Louisiana-produced eggs. Operations of the commission are funded entirely with self-generated revenues. Personnel of the Louisiana Department of Agriculture and Forestry perform all collection and administrative functions of the commission. The commission has no employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting principles and reporting standards. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by the GASB. The commission applies all GASB pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

These financial statements include the implementation of GASB Statement Number 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* and related standards. This new standard provides for significant changes in terminology, recognition of contributions in the Statement of Revenues, Expenses, and Changes in Fund Net Assets, inclusion of a management discussion and analysis as required supplementary information, and other changes.

LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

B. REPORTING ENTITY

GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and has defined the governmental reporting entity to be the State of Louisiana. The commission is considered to be a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the commission members and can impose his will on the commission. The accompanying financial statements present only the activity of the Louisiana Egg Commission. Annually, the State of Louisiana issues basic financial statements that include the activity contained in the accompanying financial statements.

C. FUND ACCOUNTING

All activities of the commission are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statement. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The transactions of the commission are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the Statement of Net Assets.

Revenues are recognized in the accounting period when they are earned and expenses are recognized when the related liability is incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and/or producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The principal operating revenue of the commission derives from assessments on Louisiana egg producers.

LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

E. BUDGET PRACTICES

The commission does not adopt a formal budget on a fiscal basis. However, the commission may allocate amounts to be spent on specific projects for the promotion of eggs. Other expenditures are not considered in this allocation.

F. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include interest-bearing demand deposits, certificates of deposit, and cash in the state treasury. Under state law, the commission may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. Furthermore, the commission may invest in time certificates of deposit of state banks organized under the laws of the State of Louisiana, national banks having their principal offices in Louisiana, in savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federally or state chartered credit unions.

G. CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

The commission has no capital assets or long-term obligations at June 30, 2003.

**H. COMPENSATED ABSENCES, PENSION
BENEFITS, AND POSTRETIREMENT
HEALTH CARE AND LIFE INSURANCE
BENEFITS**

The commission has no employees. Employees of the Louisiana Department of Agriculture and Forestry perform all transactions. Therefore, no compensated absences, pension benefits, or postretirement benefits are provided by the commission.

I. NET ASSETS

Net assets comprise the various net earnings from operation, nonoperating revenues, expenses and contributions of capital. Net assets generally are classified in the following components:

Invested in capital assets, net of related debt - consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted - consists of external constraints placed on net asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

Unrestricted net assets - consists of all other net assets that are not included in the other categories previously mentioned.

J. ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS

At June 30, 2003, the commission has cash and cash equivalents (book balances) totaling \$59,722 as follows:

Interest-bearing demand deposits	\$5,042
Savings accounts	2,403
Certificates of deposit	40,698
Cash in state treasury	<u>11,579</u>
Total	<u><u>\$59,722</u></u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At June 30, 2003, the commission has \$48,335 in deposits (collected bank balances), excluding cash in state treasury. These deposits are fully secured from risk by federal deposit insurance (GASB Category 1).

Cash balances held and controlled by the state treasurer are secured from risk by the state treasurer through separate custodial agreements, and the risk disclosures required by accounting principles generally accepted in the United States of America are included within the state's basic financial statements.

3. RECEIVABLES

At June 30, 2003, the commission has receivable balances for egg assessments totaling \$3,965. The commission has not established an allowance for doubtful accounts.

LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
Notes to the Financial Statements (Concluded)

4. ADMINISTRATIVE SERVICES

As shown on Statement B, the commission paid \$10,000 for the years ended June 30, 2003 and 2002, to the Louisiana Department of Agriculture and Forestry for administering and collecting assessments and license fees on the sale of eggs. R.S. 3:551.6(C) allows the Louisiana Department of Agriculture and Forestry to charge the commission all costs incurred in collecting the assessments and license fees.

5. NET ASSETS RESTATED

The beginning net assets as reflected on Statement B has been restated to reflect previously unrecorded accounts receivable existing at June 30, 2001.

Retained earnings, June 30, 2001	\$56,853
Adjustment - prior year accounts receivable	<u>3,528</u>
Net assets at June 30, 2001	<u><u>\$60,381</u></u>

6. SUBSEQUENT EVENTS

Act 523 of the 2003 Regular Session of the Louisiana Legislature raised the annual license fee for dealing and handling eggs or egg products from \$10 to \$100. In addition, Act 523 increased the per diem paid to board members from \$15 to \$40 and reduced the number of board members from twelve to nine. The Act further states that the members will be appointed by the Commissioner of Agriculture and Forestry and confirmed by the Senate.

**LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
OTHER SUPPLEMENTAL INFORMATION
As of and for the Year Ended June 30, 2003**

**ANNUAL FISCAL REPORT TO THE OFFICE OF THE GOVERNOR,
DIVISION OF ADMINISTRATION,
OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY**

The annual fiscal report presents the financial position of the Louisiana Egg Commission as of June 30, 2003, and the results of its operations for the year then ended. This report contains information in the format requested by the Office of Statewide Reporting and Accounting Policy for consolidation into the Louisiana Comprehensive Annual Financial Report.

LOUISIANA EGG COMMISSION

(Agency Name)

STATE OF LOUISIANA

Annual Financial Statements

June 30, 20 03

C O N T E N T S

TRANSMITTAL LETTER
AFFIDAVIT

Statements

Balance Sheet

A

Statement of Revenues, Expenses, and Changes in Fund Net Assets

B

Statement of Activities

C

Statement of Cash Flows

D

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Schedules

- 1 Schedule of Per Diem Paid Board Members
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STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 20_03

Louisiana Egg Commission
(Agency Name)

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

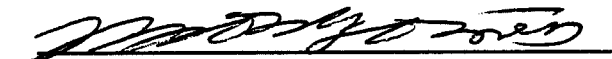
Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Skip Rhorer (Name) Assistant
Commissioner of Management & Finance (Title) of Department of Agriculture & Forestry
(Agency) who duly sworn, deposes and says, that the financial statements herewith given
present fairly the financial position of Louisiana Egg Commission (Agency) at June 30, 2003,
and the results of operations for the year then ended in accordance with policies and practices
established by the Division of Administration or in accordance with Generally Accepted
Accounting Principles as prescribed by the Governmental Accounting Standards Board.
Sworn and subscribed before me, this 14th day of July, 20_03_.



Signature of Agency Official



NOTARY PUBLIC

Prepared by: Linda R. Chaney
Title: Fiscal Director
Telephone No.: 225 952 8165
Date: _____

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 20 03

The Management's Discussion and Analysis of the Louisiana Egg Commission 's (BTA) financial performance presents a narrative overview and analysis of the commission 's (BTA) financial activities for the year ended June 30, 2003. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the transmittal letter presented on pages ____ - ____ and the commission 's (BTA) financial statements, which begin on page ____.

FINANCIAL HIGHLIGHTS

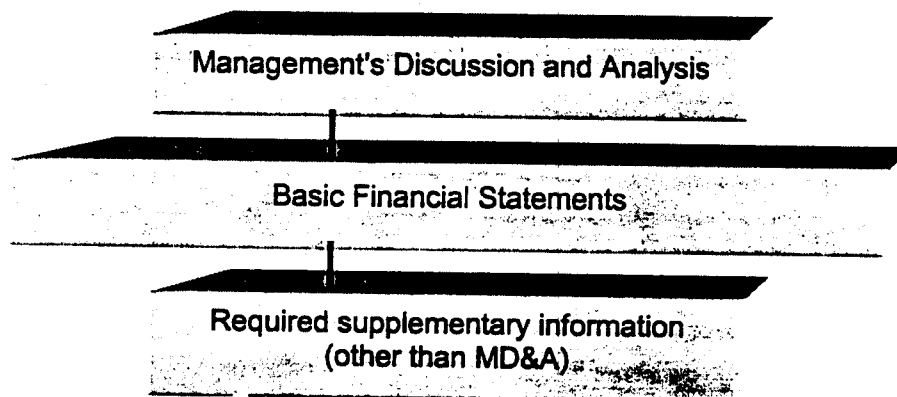
★ The commission 's (BTA) assets exceeded its liabilities at the close of fiscal year 2003 by 63,590, which represents a 16 % increase ~~decrease~~ from last fiscal year. The net assets increased ~~decreased~~ by \$ 8,601 (or 15 %).

★ The commission 's (BTA) operating revenue increased ~~decreased~~ \$ 7,038 (or 15 %) and the net results from activities increased ~~decreased~~ by \$ 13,993 (or 259 %).

★
★
★
★

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 2003

Basic Financial Statements

The basic financial statements present information for the commission (BTA) as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

The Statement of Net Assets (pages ___ - ___) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the commission (BTA) is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (pages ___ - ___) presents information showing how commission's (BTA) assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Cash Flow Statement (pages ___ - ___) presents information showing how commission's (BTA) cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 20 03

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets		
as of June 30, <u>2003</u>		
(in thousands)		
	Total	
	2003	2002
Current and other assets	\$ 63,687	\$ 59,230
Capital assets		
Total assets	<u>63,687</u>	<u>59,230</u>
Current liabilities	97	4,241
Long-term debt outstanding		
Total liabilities	<u>97</u>	<u>4,241</u>
Net assets:		
Invested in capital assets, net of debt		
Restricted		
Unrestricted	63,590	54,989
Total net assets	<u>\$ 63,590</u>	<u>\$ 54,989</u>

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on what these amounts may be used for.

Net assets of commission's (BTA) increased ~~decreased~~ by \$ 8,601, or 15 %, from June 30, 2002, to June 30, 2003. One of the major causes of this decrease is the inclusion of infrastructure assets. This class of asset, which includes roads, bridges, and levees, was not included in general fixed assets of _____ (BTA) under the basis of accounting prior to adoption of GASB Statement 34. Other causes include _____.

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 20 03

Statement of Revenues, Expenses, and Changes in Fund Net Assets
for the years ended June 30, 2003
(in thousands)

	Total	
	2003	2002
Operating revenues	\$ 54,384	\$ 47,346
Operating expenses	46,191	53,530
Operating income(loss)	8,193	(6,184)
Non-operating revenues(expenses)	408	792
Income(loss) before transfers	8,601	(5,392)
Transfers in		
Transfers out		
Net increase(decrease) in net assets	\$ 8,601	\$ (5,392)

The commission's (BTA) total revenues increased decreased by \$ 6,654 or (14 %). The total cost of all programs and services increased decreased by \$ 7,339 or less more than 14 %.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The commission had no capital assets or debt at June 30, 2003.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

The commission does not have a budget.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The commission's (BTA) elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- _____
- _____

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 20 03

The commission (BTA) expects that next year's results will improve based on the following:

- _____
- _____

CONTACTING THE COMMISSION 'S (BTA) MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the commission 's (BTA) finances and to show the commission 's (BTA) accountability for the money it receives. If you have questions about this report or need additional financial information, contact Linda R. Chaney.

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION (BTA)
STATEMENT OF NET ASSETS
AS OF June 30, 20 03

ASSETS

CURRENT ASSETS:

Cash and cash equivalents (Note C1)	\$ 59,722
Investments (Note C2)	
Receivables (net of allowance for doubtful accounts)(Note U)	3,965
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	
Notes receivable	
Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Other current assets	
Total current assets	63,687

NONCURRENT ASSETS:

Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Notes receivable	
Capital assets (net of depreciation)(Note D)	
Land	
Buildings and improvements	
Machinery and equipment	
Infrastructure	
Construction in progress	
Other noncurrent assets	
Total noncurrent assets	0
Total assets	\$ 63,687

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$ 97
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	
Amounts held in custody for others	
Other current liabilities	
Current portion of long-term liabilities:	
Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	
Capital lease obligations - (Note J)	
Notes payable	
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total current liabilities	97

NON-CURRENT LIABILITIES:

Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	
Capital lease obligations (Note J)	
Notes payable	
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total long-term liabilities	0
Total liabilities	97

NET ASSETS

Invested in capital assets, net of related debt	
Restricted for:	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	63,590
Total net assets	63,590
Total liabilities and net assets	\$ 63,687

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION (BTA)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED June 30, 20 03

OPERATING REVENUES	
Sales of commodities and services	\$ <u> </u>
Assessments	<u>54,384</u>
Use of money and property	<u> </u>
Licenses, permits, and fees	<u> </u>
Other	<u> </u>
Total operating revenues	<u>54,384</u>
OPERATING EXPENSES	
Cost of sales and services	<u>36,191</u>
Administrative	<u>10,000</u>
Depreciation	<u> </u>
Amortization	<u> </u>
Total operating expenses	<u>46,191</u>
Operating income(loss)	<u>8,193</u>
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	<u> </u>
Intergovernmental revenues (expenses)	<u> </u>
Taxes	<u> </u>
Use of money and property	<u>408</u>
Gain (loss) on disposal of fixed assets	<u> </u>
Federal grants	<u> </u>
Interest expense	<u> </u>
Other	<u> </u>
Total non-operating revenues(expenses)	<u>408</u>
Income(loss) before contributions and transfers	<u>8,601</u>
Capital contributions	<u> </u>
Transfers in	<u> </u>
Transfers out	<u> </u>
Change in net assets	<u>8,601</u>
Total net assets – beginning as restated	<u>54,989</u>
Total net assets – ending	\$ <u><u>63,590</u></u>

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION (BTA)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED June 30 , 20 03

	Program Revenues				Net (Expense)
		Operating	Capital		Revenue and
	Charges for	Grants and	Grants and		Changes in
Expenses	Services	Contributions	Contributions		Net Assets
Component Unit:					
<u>LOUISIANA EGG COMMISSION</u>					
	\$ 46,191	\$	NONE	\$	(46,191)
General revenues:					
Taxes					54,384
State appropriations					
Grants and contributions not restricted to specific programs					
Interest					408
Miscellaneous					
Special items					
Transfers					
Total general revenues, special items, and transfers					54,792
Change in net assets					8,601
Net assets - beginning					54,989
Net assets - ending				\$	63,590

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION (BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED June 30 , 20 03

Cash flows from operating activities

Cash received from customers	\$ 53,145	
Cash payments to suppliers for goods and services	(50,335)	
Cash payments to employees for services		
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		<u>2,810</u>

Cash flows from non-capital financing activities

State appropriations		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Other		
Transfers in		
Transfers out		
Net cash provided(used) by non-capital financing activities		<u>0</u>

Cash flows from capital and related financing activities

Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		<u>0</u>

Cash flows from investing activities

Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities	408	
Net cash provided(used) by investing activities		<u>408</u>

Net increase(decrease) in cash and cash equivalents 3,218

Cash and cash equivalents at beginning of year 56,504

Cash and cash equivalents at end of year \$ 59,722

(Continued)

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION (BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED June 30 , 20 03

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)	\$ <u>8,193</u>
Adjustments to reconcile operating income(loss) to net cash provided by operating activities:	
Depreciation/amortization	<u> </u>
Provision for uncollectible accounts	<u> </u>
Changes in assets and liabilities:	
(Increase)decrease in accounts receivable	<u>(1,239)</u>
(Increase)decrease in due from other funds	<u> </u>
(Increase)decrease in prepayments	<u> </u>
(Increase)decrease in inventories	<u> </u>
(Increase)decrease in other assets	<u> </u>
Increase(decrease) in accounts payable and accruals	<u>(4,144)</u>
Increase(decrease) in accrued payroll and related benefits	<u> </u>
Increase(decrease) in compensated absences payable	<u> </u>
Increase(decrease) in due to other funds	<u> </u>
Increase(decrease) in deferred revenues	<u> </u>
Increase(decrease) in other liabilities	<u> </u>
Net cash provided(used) by operating activities	\$ <u><u>2,810</u></u>

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease	<u> </u>
Contributions of fixed assets	<u> </u>
Purchases of equipment on account	<u> </u>
Asset trade-ins	<u> </u>
Other (specify)	<u> </u>
	<u> </u>
	<u> </u>
Total noncash investing, capital, and financing activities:	<u><u>0</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 20 03

INTRODUCTION

The Louisiana Egg Commission (BTA) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 3:551.1-11. The following is a brief description of the operations of the commission (BTA) which includes the parish/parishes in which the (BTA) is located:

The Louisiana Egg Commission is a component unit of the State of Louisiana created within the Louisiana Department of Agriculture and Forestry, as provided by Louisiana Revised Statutes 3:551.1-11. The commission is composed of 12 members, 10 of whom are appointed by the governor upon the joint recommendation of the Poultry Industries of Louisiana, Incorporated, and/or the Louisiana Egg Council, and the Commissioner of Agriculture and Forestry. Two of the members are appointed by the governor from the public at large. Members are appointed to six-year terms, and the appointments are staggered so that either two or four members' terms expire every two years. The Commissioner of Agriculture and Forestry is an ex-officio member with voting privileges. Commission members do not receive any compensation.

The commission is charged with the responsibility of entering into advertising contracts and other agreements for consumer, producer, and dealer information services as to the food value of eggs and for instruction on grades and packs and how to evaluate their merits to expand the market for Louisiana-produced eggs. Operations of the commission are funded entirely with self-generated revenues. Personnel of the Louisiana Department of Agriculture and Forestry perform all collection and administrative functions of the commission. The commission has no employees.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Louisiana Egg Commission present information only as to the transactions of the programs of the commission as authorized by Louisiana statutes and administrative regulations. Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the commission are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 20 03

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the commission (BTA) are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Budget Committee, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements include the original appropriation plus subsequent amendments as follows:

APPROPRIATIONS

Original approved budget \$ _____

Amendments:

The Egg Commission does not adopt a formal budget on a fiscal year basis. The commission may allocate amounts to be spent on specific projects.

Final approved budget \$ 0

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.)

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the commission (BTA) may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 20 03

fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer. The deposits at June 30, 2003, were secured as follows:

	Deposits in bank accounts			
	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Deposits in bank accounts per balance sheet	\$ <u>7,445</u>	\$ <u>40,698</u>	\$ _____	\$ <u>48,143</u>
Bank balances:				
1. Insured or collateralized with securities held by the entity or its agency <u>in the entity's name</u>	<u>7,445</u>	<u>40,698</u>	_____	<u>48,143</u>
2. Collateralized with securities held by the pledging institution's trust department or agent <u>in the entity's name</u>	_____	_____	_____	<u>0</u>
3. Uncollateralized, including any securities held for the entity <u>but not in the entity's name</u>	_____	_____	_____	<u>0</u>
Total bank balances	\$ <u>7,445</u>	\$ <u>40,698</u>	\$ <u>0</u>	\$ <u>48,143</u>

NOTE: The "Total Bank Balances" will not necessarily equal the "Deposits in Bank Account per Balance Sheet".

The following is a breakdown by banking institution, program, account number, and amount of the balances shown above:

<u>Banking institution</u>	<u>Program</u>	<u>Amount</u>
1. <u>Bank One</u>	<u>Checking</u>	\$ <u>5,042</u>
2. <u>Bank One</u>	<u>Savings</u>	<u>2,403</u>
3. <u>Bank One</u>	<u>Certificate of Deposit</u>	<u>40,698</u>
4. _____	_____	_____
Total		\$ <u>48,143</u>

Were uncollateralized securities fitting the description in (3) above during the year significantly greater than at June 30, 2003 (last day of your fiscal year)? If yes, attach a statement listing the amount(s) and a reason for this occurrence.

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included in the balance sheet.

Cash in State Treasury	\$ <u>11,579</u>
Petty cash	\$ <u>NONE</u>

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2003

2. INVESTMENTS

The commission has no investments at June 30, 2003.

D. CAPITAL ASSETS

The commission has no investments at June 30, 2003.

E. INVENTORIES

The commission has no inventory at June 30, 2003.

F. RESTRICTED ASSETS

The commission has no restricted assets at June 30, 2003.

G. LEAVE

The commission has no employees at June 30, 2003

H. RETIREMENT SYSTEM

The commission has no employees at June 30, 2003.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The commission has no employees at June 30, 2003.

J. LEASES

The commission has no leases at June 30, 2003.

K. LONG-TERM LIABILITIES

The commission has no long-term liabilities at June 30, 2003.

L. LITIGATION

The commission has no litigation at June 30, 2003.

M. RELATED PARTY TRANSACTIONS

The commission has no related party transactions at June 30, 2003.

N. ACCOUNTING CHANGES

The commission made no accounting changes during the fiscal year ended June 30, 2003.

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 20 03

O. IN-KIND CONTRIBUTIONS

The commission had no in-kind contributions at June 30, 2003.

P. DEFEASED ISSUES

The commission has no defeased issues at June 30, 2003.

Q. COOPERATIVE ENDEAVORS

The commission has no cooperative endeavors at June 30, 2003.

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

The commission has no government-mandated nonexchange transactions (grants) at June 30, 2003.

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

The commission has no violations of finance-related legal or contractual provisions at June 30, 2003.

T. SHORT-TERM DEBT

The commission had no short-term debt at June 30, 2003.

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 20 03 , were as follows:

Activity	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
Promotion	\$ 0	\$ 3,965	\$ 0	\$ 0	\$ 3,965
					0
Gross receivables	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Less allowance for uncollectible accounts	0	0	0	0	0
Receivables, net	\$ 0	\$ 3,965	\$ 0	\$ 0	\$ 3,965
Amounts not scheduled for collection during the subsequent year	\$	\$	\$	\$	\$ 0

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 20 03

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 20 03, were as follows:

Activity	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
Promotion	\$ 97	\$	\$	\$	\$ 97
					0
Total payables	\$ 97	\$ 0	\$ 0	\$ 0	\$ 97

W. SUBSEQUENT EVENTS

[Disclose any material event(s) affecting the (BTA) occurring between the close of the fiscal period and issuance of the financial statement.]

X. SEGMENT INFORMATION

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For the purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or an other stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

Type of goods or services provided by the segment promotion of eggs.

A. Condensed statement of net assets:

- (1) Total assets – distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or BTA's should be reported separately.
- (2) Total liabilities – distinguishing between current and long-term amounts. Amounts payable to other funds or BTA's should be reported separately.
- (3) Total net assets – distinguishing among restricted (separately reporting expendable and nonexpendable components); unrestricted; and amounts invested in capital assets, net of related debt.

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 20_03

Condensed Statement of Net Assets:

	<u>Segment #1</u>	<u>Segment #2</u>
Current assets	\$ 63,687	\$
Due from other funds		
Capital assets		
Other assets		
Current liabilities	97	
Due to other funds		
Long-term liabilities		
Restricted net assets		
Unrestricted net assets		
Invested in capital assets, net of related debt	63,590	

B. Condensed statement of revenues, expenses, and changes in net assets:

- (1) Operating revenues (by major source).
- (2) Operating expenses. Depreciation (including any amortization) should be identified separately.
- (3) Operating income (loss).
- (4) Nonoperating revenues (expenses) – with separate reporting of major revenues and expenses.
- (5) Capital contributions and additions to permanent and term endowments.
- (6) Special and extraordinary items.
- (7) Transfers
- (8) Change in net assets.
- (9) Beginning net assets.
- (10) Ending net assets.

Condensed Statement of Revenues, Expenses, and Changes in Net Assets:

Operating revenues	54,384	
Operating expenses	46,191	
Depreciation and amortization		
Operating income (loss)	8,193	0
Nonoperating revenues (expenses)	408	
Capital contributions/additions to permanent and term endowments		
Special and extraordinary items		
Transfers in		
Transfers out		
Change in net assets	8,601	0
Beginning net assets	54,989	
Ending net assets	63,590	0

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2003

C. Condensed statement of cash flows:

- (1) Net cash provided (used) by:
 - (a) Operating activities
 - (b) Noncapital financing activities
 - (c) Capital and related financing activities
 - (d) Investing activities
- (2) Beginning cash and cash equivalent balances
- (3) Ending cash and cash equivalent balances

Condensed Statement of Cash Flows:

	<u>Segment #1</u>	<u>Segment #2</u>
Net cash provided (used) by operating activities	\$ 2,810	\$
Net cash provided (used) by noncapital financing activities		
Net cash provided (used) by capital and related financing activities		
Net cash provided (used) by investing activities	408	
Beginning cash and cash equivalent balances	56,504	
Ending cash and cash equivalent balances	59,722	0

Y. DUE TO/DUE FROM AND TRANSFERS

The commission has no due to/from and transfers at June 30, 2003.

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

The commission has no restricted assets at June 30, 2003.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

There were no adjustments made to net assets at June 30, 2003.

OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS

The following pages contain our report on compliance with laws and regulations and on internal control as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses in internal control or compliance matters that would be material to the presented financial statements.



OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
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August 6, 2003

Report on Compliance and on Internal Control Over Financial
Reporting Based on an Audit of the Basic Financial Statements

LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited the financial statements of the Louisiana Egg Commission, a component unit of the State of Louisiana, as of June 30, 2003, and for the years ended June 30, 2003 and 2002, and have issued our report thereon dated August 6, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Louisiana Egg Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Louisiana Egg Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

LEGISLATIVE AUDITOR

**LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA**

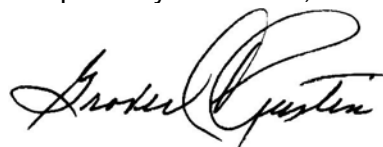
Compliance and Internal Control Report

August 6, 2003

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Grover C. Austin". The signature is fluid and cursive, with a large, stylized initial "G".

Grover C. Austin, CPA
First Assistant Legislative Auditor

BB:STD:THC:ss

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